

AMENDED IN ASSEMBLY MAY 11, 2010

AMENDED IN ASSEMBLY APRIL 27, 2010

AMENDED IN ASSEMBLY APRIL 5, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2230

Introduced by Assembly Member Charles Calderon

February 18, 2010

An act to add Section 19196 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2230, as amended, Charles Calderon. Franchise Tax Board: administration: list: publicly traded corporations.

Existing income and corporation tax laws require the Franchise Tax Board to annually list the 250 largest tax delinquencies in excess of \$100,000.

This bill would require the board to make available as a matter of public record and post on its Internet Web site by March 31, 2011, and annually thereafter, a list of the 100 largest publicly traded corporations, based on gross receipts attributable to the state, filing tax returns for a taxable year and with tax expenditures, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 19196 is added to the Revenue and
- 2 Taxation Code, to read:

19196. (a) Notwithstanding any other provision of law, the Franchise Tax Board shall make available as a matter of public record and post on its Internet Web site by March 31, 2011, and annually thereafter, a list of the 100 largest publicly traded corporations, based on gross receipts from all sources derived from or attributable to this state, filing tax returns for a taxable year and with tax expenditures. The list shall commence with tax returns filed for taxable years beginning on or after January 1, 2008.

(b) Each annual list as described in subdivision (a) shall include the following information for each corporation:

- (1) The name of the corporation.
- (2) The California corporation number.
- (3) The address of the principal office.
- (4) The aggregate amount of tax expenditures.
- (5) The effective tax rate.
- (6) *Whether the taxpayer has elected to file on a water's edge basis under Section 25113 or has filed a combined report based on worldwide income.*

(c) For purposes of this section, the following definitions shall apply:

(1) "Aggregate amount of tax expenditures" means the aggregated amount of tax expenditures claimed by the ~~corporation~~ taxpayer on its tax return for the taxable year.

(2) "Effective tax rate" means an amount, expressed as a percentage, determined by dividing the amount of taxes ~~paid~~ payable by a taxpayer for a taxable year by an amount equal to the sum of the following:

(A) The ~~taxable income~~ net income, within the meaning of Section 23151, of the taxpayer for the taxable year.

(B) The tax expenditures of the taxpayer that were deducted by the taxpayer in arriving at the taxable income of the taxpayer for the taxable year.

(3) "Tax expenditure" means tax expenditures as detailed in the California Income Tax Expenditures, Compendium of Individual Provisions Report, compiled by the Franchise Tax ~~Board~~ Board, other than the tax expenditures entitled "Water's Edge Election" and "Depreciation Amounts Beyond Economic Depreciation."

(4) "Taxes payable" means taxes imposed under Part 11 (commencing with Section 23001), reduced by any credit allowable under any provision of Chapter 3.5 (commencing with Section

- 1 23604) of Part 11, including the carryover of any credit under a
- 2 former provision of that chapter, that are allowed to reduce the
- 3 “tax,” within the meaning of Section 23036, for that taxable year.

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